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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-89819; File No. SR-BX-2020-027]

### Self-Regulatory Organizations; Nasdaq BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Decommission TradeInfo

September 10, 2020.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on September 9, 2020, Nasdaq BX, Inc. (“BX” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I and II, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to no longer offer TradeInfo, which interface is described within Options 3, Section 23(b)(2).

The text of the proposed rule change is available on the Exchange’s Website at <https://listingcenter.nasdaq.com/rulebook/bx/rules>, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to no longer offer TradeInfo, which interface is described within Options 3, Section 23(b)(2). TradeInfo is a user interface which permits a Participant to: (i) search all orders submitted in a particular security or all orders of a particular type, regardless of their status (open, canceled, executed, etc.); (ii) cancellation of open orders at the order, port or firm mnemonic level; (iii) a view of orders and executions; and (iv) download of orders and executions for recordkeeping purposes.<sup>3</sup> This interface is not utilized by BX Participants at this time<sup>4</sup> and the Exchange desires to decommission the TradeInfo interface in connection with a technology migration to an enhanced Nasdaq, Inc. ("Nasdaq") functionality which will result in higher performance, scalability, and more robust architecture.

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<sup>3</sup> See Options 3, Section 23(b)(2).

<sup>4</sup> No Participant logged into TradeInfo in 2020.

FIX,<sup>5</sup> FIX DROP,<sup>6</sup> and the Clearing Trade Interface,<sup>7</sup> which are available to all Participants,<sup>8</sup> can be utilized to obtain order information which is currently available within TradeInfo, and cancel orders. The Exchange intends to decommission TradeInfo on September 14, 2020. The Exchange has issued an Options Trader Alert to provide notice of the decommission.<sup>9</sup>

Today, Participants pay \$95 per user, per month for the TradeInfo interface. The Exchange intends to separately file a proposed rule change to credit any fees paid by Participants for TradeInfo in September 2020.

Finally, the Exchange proposes to add the word “has” to Options 3, Section 23(b)(3) to correct a grammatical error.

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<sup>5</sup> “Financial Information eXchange” or “FIX” is an interface that allows Participants and their Sponsored Customers to connect, send, and receive messages related to orders and auction orders and responses to and from the Exchange. Features include the following: (1) execution messages; (2) order messages; and (3) risk protection triggers and cancel notifications. See Options 3, Section 7(d)(1)(A).

<sup>6</sup> FIX DROP is a real-time order and execution update message that is sent to a Participant after an order been received/modified or an execution has occurred and contains trade details specific to that Participant. The information includes, among other things, the following: (i) executions; (ii) cancellations; (iii) modifications to an existing order and (iv) busts or post-trade corrections. See Options 3, Section 23(b)(3).

<sup>7</sup> The Clearing Trade Interface or “CTI” is a real-time clearing trade update message that is sent to a Participant after an execution has occurred and contains trade details specific to that Participant. The information includes, among other things, the following: (i) The Clearing Member Trade Agreement or “CMTA” or The Options Clearing Corporation or “OCC” number; (ii) Exchange badge or house number; (iii) the Exchange internal firm identifier; (iv) an indicator which will distinguish electronic and non-electronically delivered orders; (v) liquidity indicators and transaction type for billing purposes; and (vi) capacity. See Options 3, Section 23(b)(1).

<sup>8</sup> Today, all Participants have at least FIX, FIX DROP, or CTI.

<sup>9</sup> See Options Trader Alert #2020-23. The Exchange contacted Participants that are currently subscribed to TradeInfo and informed them about the decommission date. As

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>10</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>11</sup> in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest, by decommissioning TradeInfo, which is currently not being utilized by BX Participants.

In connection with BX's upcoming technology migration, the Exchange proposes to no longer support TradeInfo as the interface is not utilized,<sup>12</sup> and FIX, FIX DROP, and the CTI can be utilized to obtain order information which is currently available within TradeInfo, and cancel orders.

Today, Participants pay \$95 per user, per month for the TradeInfo interface. The Exchange intends to separately file a proposed rule change to credit any fees paid by Participants for TradeInfo in September 2020.

The Exchange's proposal to correct a grammatical error within Options 3, Section 23(b)(3) is non-substantive.

### B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. No BX

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noted above, today, these Participants utilize FIX, FIX DROP, or CTI to obtain or download order information or to cancel orders. The Exchange did not receive any comments from market participants regarding the proposed decommission.

<sup>10</sup> 15 U.S.C. 78f(b)

<sup>11</sup> 15 U.S.C. 78f(b)(5).

<sup>12</sup> See note 4 above.

Participant<sup>13</sup> will be able to utilize TradeInfo after September 14, 2020. However, FIX, FIX DROP, and CTI can be utilized to obtain order information that is currently available within TradeInfo, or cancel orders.

The Exchange's proposal to correct a grammatical error within Options 3, Section 23(b)(3) is non-substantive.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>14</sup> and Rule 19b-4(f)(6) thereunder.<sup>15</sup> Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.<sup>16</sup>

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<sup>13</sup> Id.

<sup>14</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>15</sup> 17 CFR 240.19b-4(f)(6).

<sup>16</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

A proposed rule change filed under Rule 19b-4(f)(6)<sup>17</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>18</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing to permit the Exchange to decommission TradeInfo on September 14, 2020 in connection with BX's upcoming technology migration to an enhanced platform. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because the Exchange has stated that the TradeInfo interface is not utilized, and FIX, FIX DROP, and CTI can be utilized to obtain order information that is currently available within TradeInfo, or cancel orders. The Commission believes that waiver of the operative delay would allow the Exchange, before September 14, 2020, to avoid any additional testing and other technology efforts necessary to offer TradeInfo on the new platform. Accordingly, the Commission waives the 30-day operative delay and designates the proposed rule change operative upon filing.<sup>19</sup>

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the

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<sup>17</sup> 17 CFR 240.19b-4(f)(6).

<sup>18</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>19</sup> For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

Commission shall institute proceedings under Section 19(b)(2)(B)<sup>20</sup> of the Act to determine whether the proposed rule change should be approved or disapproved.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

##### Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-BX-2020-027 on the subject line.

##### Paper comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-BX-2020-027. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>).

Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F

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<sup>20</sup> 15 U.S.C. 78s(b)(2)(B).

Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-BX-2020-027 and should be submitted on or before **[INSERT DATE 21 DAYS FROM PUBLICATION IN THE FEDERAL REGISTER]**.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>21</sup>

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

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<sup>21</sup> 17 CFR 200.30-3(a)(12).